GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

STARRED QUESTION NO:85
ANSWERED ON:22.11.2016
Compensation under Crop Insurance Scheme
Bhuria,Shri Kantilal

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) the unit taken into consideration for determining crop insurance and scale of compensation provided under various crop insurance schemes;

(b) the extent to which the farmers are compensated by Insurance companies in the event of damage or loss of crop due to natural calamities;

(c) whether compensation under the various crop insurance schemes has been provided to the farmers for damage of crops owing to hailstorm, excessive rainfall, storms, etc. during the last year and the current year and if so, the details thereof, PSU and Insurance company-wise and State-wise; and

(d) if not, the reasons therefor and the time-frame drawn for compensating farmers under various crop insurance schemes?

Answer

MINISTER OF AGRICULTURE AND FARMERS WELFARE
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(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 85 DUE FOR REPLY ON 22ND NOVEMBER, 2016.

(a): The unit taken into consideration for determining Crop Insurance under Pradhan Mantri Fasal Bima Yojana (PMFBY) is village/village panchayat or any other equivalent unit as notified by State Government for major crops. For other crops it may be a unit of size of village/village panchayat or above. Under Restructured Weather Based Crop Insurance Scheme (WBCIS) Reference Unit Area (RUA) is notified by the State Government based on available Automatic Weather Stations (AWSs)/Automatic Rain gauge Stations (ARSs) in the area.
The scale of compensation is based on the sum insured which under both the schemes is equal to Scale Of Finance per hectare as decided by the District Level Technical Committee (DLTC) for relevant crop in that district.
(b): In the event of damage or loss of crop due to natural calamities, compensation/claim is determined based on the shortfall in actual yield as assessed through Crop Cutting Experiments (CCEs) vis-a-vis threshold yield. Threshold yield being average yield of past seven years (excluding a maximum two calamity year(s) as notified by State Government/ Union Territory) multiplied by applicable indemnity level for that crop.
The compensation/claim amount is arrived thereafter as per the formula below :
(Actual Yield − Threshold Yield) X Sum Insured
Threshold Yield
Contd..2/-

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(c) & (d): As per provisions of the schemes, the claims are being processed and settled by the concerned insurance companies based on the final yield data/weather data provided within the stipulated time by the State Government/designated agencies. The claims settled by the insurance companies during Kharif 2015 and Rabi 2015-16 under various crop insurance schemes are annexed. For the schemes implemented in 2015-16, State Government and Central Government were to provide equal subsidy towards premium and/or settlement of claims as per the relevant scheme. All proposals of premium subsidy and/or claims received from the implementing agency by the Central Government have been cleared. For current year Central Government has already initiated release of funds towards its share of upfront advance premium subsidy. Claims for the current year will however be settled as per the time frame provided in the schemes, according to which cut-off date for receipt of yield data is within one month from final harvest. Thereafter, the claims are to be processed, approved and settled by the concerned insurance companies within three weeks from receipt of yield data.